

AMENDMENT \_\_\_\_\_ TO AMENDMENT NO. \_\_\_\_\_.

**Amendment No. 2 to Amendment 1 to HB2569**

**Odom**  
**Signature of Sponsor**

**AMEND Senate Bill No. 2829\***

**House Bill No. 2569**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

by deleting Section 38 and by substituting instead the following:

SECTION 38. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "at the rate of six percent (6%) of" and by substituting instead the language "at the rate of six and one-quarter percent (6.25%)."

AND FURTHER AMEND by deleting Section 39 in its entirety.

AND FURTHER AMEND by deleting Section 43 in its entirety.

AND FURTHER AMEND by deleting Section 44 and by substituting instead the following:

SECTION 44. Notwithstanding the provisions this act to the contrary, sales to or use by a contractor, subcontractor, or material vendor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a lump sum or unit price construction contract entered into prior to June 15, 2002, or awarded by the state or a political subdivision pursuant to a bid opening which occurred prior to June 15, 2002, shall be subject to tax at the state rate of six percent (6%) plus the local option sales tax rate in effect on June 1, 2002, in the county or municipality in which the property is sold or used. In addition, sales to or use by a subcontractor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a written subcontract entered into prior to September 1, 2002, if such subcontract is made pursuant to a general contract qualifying for the reduced rate of tax as set out above, shall be subject to tax at the rate of six percent (6%) plus the local option sales tax rate in effect on June 1, 2002, in the county or municipality in which the property is sold or used. Any vendor making

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such sales to any such contractor or subcontractor shall collect tax at the rate of six and one-quarter percent (6.25%) plus the local option sales tax rate in the county or municipality in which the property is sold or used. Any such contractor or subcontractor paying the rate set by the provisions of this act may then file a claim with the commissioner of revenue for a refund of any such tax paid to any of the contractor's or subcontractor's vendors at a rate in excess of six percent (6%) plus the local option sales tax rate in effect on June 1, 2002, in the county or municipality in which the property is sold or used. For purposes of this subsection the term "lump sum or unit price construction contract" means a written contract for the construction of improvements to real property under which the amount payable to the contractor, subcontractor or material vendor is fixed without regard to the costs incurred in the performance of the contract. The provisions of this paragraph shall not be construed to increase the rate of tax imposed pursuant to the provisions of Tennessee Code Annotated, Section 67-6-206.

AND FURTHER AMEND by deleting Section 51 in its entirety.

AND FURTHER AMEND by deleting Section 52 in its entirety and by substituting instead the following:

SECTION 52. Tennessee Code Annotated, Section 67-6-103(f), is amended by deleting the language "six percent (6%)" and by substituting instead the language "six and one-quarter percent (6.25%)".

AND FURTHER AMEND by deleting Section 53 in its entirety and by substituting instead the language:

SECTION 53. Tennessee Code Annotated, Section 55-6-107, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

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(a) The proceeds of the taxes levied by chapter 4 of this title shall be apportioned by a distribution, in the following order, of two percent (2%) to the general fund, a sum sufficient to the general fund for the purpose of funding the department of safety and the remainder to the highway fund. The funding board is authorized to allocate such portions of these funds as are required to meet the annual requirements for payment of the state debt. Notwithstanding the foregoing, from the distribution to the highway fund, revenue shall be allocated to the general fund as follows:

(1) In an amount sufficient to fund the cost of issuing motor vehicle registration plates, such amount to be established in the annual appropriations act; and,

(2) Two million dollars (\$2,000,000) to fund costs of driver testing centers. Such amount shall be appropriated in the annual general appropriations act.

AND FURTHER AMEND by deleting Sections 60, 61, 62, and 63 in their entirety and by substituting instead the following language:

**SECTION 60.**

(a) Sections 38, 44, and 52 shall take effect on July 1, 2002, the public welfare requiring it, and shall be repealed on June 30, 2003, at which time all affected statutes shall be revived as they existed immediately prior to the date on which this act becomes law, the public welfare requiring it.

(b) Sections 40, 41, 42, 45, 46, 47, 48, 49, 50, 53 and 54 shall take effect on July 1, 2002, the public welfare requiring it.

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(c) All other provisions of this act shall take effect upon becoming law, the public welfare requiring it.

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